



413 North Calhoun Street
West Liberty, IA 52776
319-627-2145

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West Liberty Telephone Company

Confidentiality of Financial Information

I certify that the attached pages of financial information for West Liberty Telephone Company which are labeled as confidential (Confidential) are such under the protective orders of the following dockets:
CONFIDENTIAL FINANCIAL INFORMATION – SUBJECT TO
PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION.

Signature

Date

Jerry S. Melick

President

Two (2) copies of redacted financial information attached.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
West Liberty Telephone Company and Subsidiary
West Liberty, Iowa

We have reviewed the accompanying consolidated balance sheet of West Liberty Telephone Company (an Iowa corporation) and subsidiary as of December 31, 2012, and the related consolidated statements of operations, stockholders' equity and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation of the consolidated financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards of Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the consolidated financial statements. We believe the results of our procedures provide a reasonable basis for our report.

Based upon our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our review was made for the purpose of expressing a conclusion that there are no material modifications that should be made to the consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The consolidating supplementary information found on pages 15 - 17 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic consolidated financial statements, and we are not aware of any material modifications that should be made thereto.

The financial statements for the year ended December 31, 2011, were audited by us, and we expressed an unqualified opinion on them in our report dated May 24, 2012, but we have not performed any auditing procedures since that date.

Kiesling Associates LLP

West Des Moines, Iowa
July 26, 2013

WEST LIBERTY TELEPHONE COMPANY
WEST LIBERTY, IOWA

CONSOLIDATED BALANCE SHEETS
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents		
Accounts receivable:		
Due from customers		
Interexchange carriers		
Other		
Inventory		
Prepayments		
OTHER NONCURRENT ASSETS		
Partnership investments		
Other investments		
Intangibles, net of amortization		
PROPERTY, PLANT AND EQUIPMENT		
Plant in service		
Less accumulated depreciation		
TOTAL ASSETS		

See Accompanying Notes and Independent Accountant's Review Report

WEST LIBERTY TELEPHONE COMPANY
WEST LIBERTY, IOWA

CONSOLIDATED BALANCE SHEETS
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable		
Advance billing and payments		
Customer deposits		
Accrued taxes		
Other		
LINE OF CREDIT		
STOCKHOLDERS' EQUITY		
Common stock - \$1 par value, 2,000,000 shares authorized, 7,692 and 7,700 shares issued and outstanding, respectively		
Retained earnings		
Noncontrolling interest		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		

See Accompanying Notes and Independent Accountant's Review Report

WEST LIBERTY TELEPHONE COMPANY
WEST LIBERTY, IOWA

CONSOLIDATED STATEMENTS OF OPERATIONS
Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES		
Local network services		
Network access services		
Long distance services		
Internet services		
Video services		
Equipment sales		
Miscellaneous revenue		
OPERATING EXPENSES		
Plant specific operations		
Plant nonspecific operations		
Cost of long distance services		
Cost of internet services		
Cost of video services		
Cost of equipment sales		
Depreciation and amortization		
Customer operations		
Corporate operations		
General taxes		
OPERATING INCOME		
OTHER INCOME (EXPENSE)		
Interest and dividend income		
Interest expense		
Other, net		
INCOME BEFORE NONCONTROLLING INTEREST IN NET INCOME		
NONCONTROLLING INTEREST IN NET INCOME		
NET INCOME		

See Accompanying Notes and Independent Accountant's Review Report

WEST LIBERTY TELEPHONE COMPANY
WEST LIBERTY, IOWA

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Year ended December 31, 2012

	<u>Common Stock</u>		<u>Retained</u>	<u>Noncontrolling</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Earnings</u>	<u>Interest</u>	<u>Stockholders'</u>
					<u>Equity</u>
Balance at December 31, 2010					
Net income					
Distributions paid					
Balance at December 31, 2011 (Audited)					
Net income					
Distributions paid					
Common stock redeemed					
Balance at December 31, 2012 (Reviewed)					

See Accompanying Notes and Independent Accountant's Review Report

WEST LIBERTY TELEPHONE COMPANY
WEST LIBERTY, IOWA

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income		
Adjustments to reconcile net income		
to net cash provided by operating activities:		
Depreciation and amortization		
Equity loss in unconsolidated affiliates		
Noncontrolling interest		
Loss on investments		
Changes in assets and liabilities:		
(Increase) Decrease in:		
Receivables		
Materials and supplies		
Prepayments		
Increase (Decrease) in:		
Accounts payable		
Accrued taxes		
Other		
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures		
Purchases of equity investments		
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt		
Distributions to noncontrolling interest		
Distributions paid		
Common stock redeemed		
Net cash used in financing activities		
Net Increase (Decrease) in Cash and Cash Equivalents		
Cash and Cash Equivalents at Beginning of Year		
Cash and Cash Equivalents at End of Year		

See Accompanying Notes and Independent Accountant's Review Report